

**COMPANY FINANCING UNDER MEGA AND SBY ERA:  
A CAPITAL MARKET EVIDENCE**

**By**

**Sukirno DS.**

**ACCOUNTING EDUCATION DEPARTMENT  
FACULTY OF SOCIAL SCIENCES AND ECONOMICS  
STATE UNIVERSITY OF YOGYAKARTA  
2007**

---

Bandung, 12<sup>th</sup> - 15<sup>th</sup> February 2008



 Parahyangan International  
ACCOUNTING & BUSINESS CONFERENCE 2008

---

COMPANY FINANCING UNDER MEGA AND SBY ERA:  
A CAPITAL MARKET EVIDENCE

Company financing is a crucial part of a company financial management functions. Company financing comprises of rising and allocating funds activities. Each era of a nation leadership will have own policy to develop and sustain the economic growth. A nation leader policy eventually will have direct or indirect effect on company financing. This research were intended to show another proxy of government performance measurement from the capital market data. This research also is directed to compare the differences of company financing between Mega and SBY era, to examine the relationship of company financing and company profitability, and to interpret profoundly the results using the capital market data.

Data were gathered from the Indonesian Capital Market Directory (ICMD) start from 2001 up to 2006. Sample was drawn by using probability sampling technique and sample size was determined based on Slovin method. Geometric means were used to summarize companies financial data in Mega era and to profoundly trace the influence of president era to the financial data variation. Beside, geometric mean was used to balance financial data between Mega (2001 – 2003) and SBY era (2005). All financial data then were modified in Z score. Hypotheses were tested by paired sample t test and linear regression analysis.

This research found that (1) There was relationship between collateral, current liabilities to total assets, long term liabilities to total assets, equity to total assets, capital structure and return on equity. (2) Collateral ratio and equity to total assets ratio were significantly different between Mega era and SBY era. But this research found no differences in current liabilities to total assets, long term liabilities to total assets, capital structure, and return on assets between Mega and SBY era (3) There was simultaneously positive relationship between collateral, current liabilities to total assets, long term liabilities to total assets, equity to total assets, capital structure, president eras, and return on equity (4) This research found that collateral ratio and equity to total assets ratio were significantly different between Mega era and SBY era. But this research found no differences in current liabilities to total assets, long term liabilities to total assets, capital structure, and return on assets between Mega and SBY era (5) Current liabilities to total assets and long term liabilities to total assets have a negative influence to return on equity. Current liabilities to total assets has the most dominant effect on return on equity.

Key words: Go Public Companies, JSX, Financial Structure, Capital Structure, Profitability, Collateral, Mega Era, SBY Era